NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

PAID UP OIL AND GAS LEASE (No Surface Use)

__day of <u>TONLIOFY</u>

POLICE TO CONTROL P	<u> </u>				
whose addresss is 3801 AVENIUE IF FO	ort Worth Tex	us 76105			as Lessor.
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross A	venue Suite 1870 Dailas T	evas 75201 as Lessee Al	I printed portions of this lease	were prepare	_ as Lesson
hereinabove named as Lessee, but all other provisions (in-	cluding the completion of blank	spaces) were prepared join	itty by Lessor and Lessee.	noro propare	, o o, a o part,
 In consideration of a cash bonus in hand paid 	and the covenants herein co	ntained, Lessor hereby gra	ints, leases and lets exclusive	ly to Lessee	the following
described land, hereinafter called leased premises:				•	_
0.10		i f			10
A 10_ ACRES OF LAND, MORE OR LE	ESS, BEING LOT(S)			CK	$\varphi_{}$
OUT OF THE JULIE CICKES			ADDITION, AN ADDITIC	N TO TH	E CITY OF
Fort Worth	TARRANT COUNT	V TEXAS ACCORDI	NG TO THAT CERTAIN	JPIATR	ECORDED
IN VOLUME PAGE		ETUE DI AT DECOD	DS OF TARRANT COU	NTV TEV	V6
IN VOLUME, PAGE _	<i>0_a</i> 0	F THE PLAT RECOR	DO OF TARRANT COOL	NIT, IEA	AJ.
is the Court of Tarrant of a service	210				
in the County of Tarrant, State of TEXAS, containing	gross acres	, more or less (including an	y interests therein which Lesso	r may nerea	ner acquire by
reversion, prescription or otherwise), for the purpose of	exploring for developing proc	lucing and marketing oil an	id gas, along with all hydrocar	bon and nor	n nydrocarbon
substances produced in association therewith (including	geophysical/seismic operation	ins), the term gas as i	used nerein includes neitum.	carbon diox	ide and other
commercial gases, as well as hydrocarbon gases. In add land now or hereafter owned by Lessor which are contigu	Jillon to the above-described i	eased premises, this lease	and in appointmention of the of	y siliali silipe	d cook booms
Lessor agrees to execute at Lessee's request any addition	ol or supplemental instrument	tor a mara complete or acc	urate description of the land of	oremendone	or the number
of determining the amount of any shut-in royalties hereund	or the number of proce acres	shove enerified shall be des	emed correct, whether actually	more or less	or trie burbose
or selectioning the entert of any shar-in royalics herealid	er, the number of gross acres	abbre specified strail be dec	med borreot, who her doctory		
2. This loose which is a *poid up" loose requiring a	o santala abail ba la faras fara	E111	6 (5)waam fro	en the dete l	hereof, and for
2. This lease, which is a "paid-up" lease requiring n	o rentals, shall be in force for a	primary term of			
as long thereafter as oil or gas or other substances covere otherwise maintained in effect pursuant to the provisions h	o nereby are produced in payi	ng quantities from the lease	d premises or from lands poole	in filelewith	or uns lease is
Royalties on oil, gas and other substances produ	ereor. Veod and agreed becounder ab	all ha paid by Laccas to Lac	eens as follows: (s) Fac oil and	l other liquid	hwimearhone
separated at Lessee's separator facilities, the royalty sha	all ha 1112 A 14 V = 12	F Parry 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	ssor as lorows. (a) for or and	oran at lees	nyuloualbolla notion to
Lessor at the wellhead or to Lessor's credit at the oil purc	haser's transportation facilities	provided that I essee shall	have the continuing right to or	irchase such	nroduction at
the wellhead market price then prevailing in the same fie	ld for if there is no such price	then prevailing in the sam	e field then in the nearest field	d in which th	nere is such a
prevailing price) for production of similar grade and gr	avity: (h) for das (including	casing head gas) and all	other substances covered he	reby, the ro	valty shall be
THENTY-FIVE PERCENT (25) of the	ne proceeds realized by Lesse	e from the sale thereof, less	a proportionate part of ad valo	rem taxes a	nd production
severance, or other excise taxes and the costs incurred by	v Lessee in delivering, process	ing or otherwise marketing	such gas or other substances.	provided that	ıt Lessee shal
have the continuing right to purchase such production at the	ne prevailing wellhead market	price paid for production of s	similar quality in the same field	or if there is	no such price
then prevailing in the same field, then in the nearest field	in which there is such a prev	ailing price) pursuant to con	nparable purchase contracts ei	ntered into o	n the same or
nearest preceding date as the date on which Lessee comm	nences its purchases hereunde	er; and (c) if at the end of the	e primary term or any time there	eafter one or	more wells or
the leased premises or lands pooled therewith are capable	e of either producing ail or aas	or other substances covere	d hereby in paying quantities o	r such wells	are waiting or
hydraulic fracture stimulation, but such well or wells are eit	ther shut-in or production there	from is not being sold by Lo	essee, such well of wells shall i	nevertheless	be deemed to
be producing in paying quantities for the purpose of maint	aining this lease. If for a perio	d of 90 consecutive days su	ch well or wells are shut-in or p	production the	ere from is no
being sold by Lessee, then Lessee shall pay shut-in royal	ty of one dollar per acre then (covered by this lease, such	payment to be made to Lessor	or to Lessor	's credit in the
depository designated below, on or before the end of said	90-day period and thereafter	on or before each anniversa	try of the end of said 90-day pe	riod while th	e well or wells
are shut-in or production there from is not being sold by	Lessee; provided that if this	ease is otherwise being ma	aintained by operations, or if p	production is	being sold by
Lessee from another well or wells on the leased premises	or lands pooled therewith, no	shut-in royalty shall be due	until the end of the 90-day pen	od next follow	wing cessation
of such operations or production. Lessee's failure to prope	erly pay shut-in royally shall re	ider Lessee liable for the an	nount que, but snall not operate	to terminate	tnis lease.
4. All shut-in royalty payments under this lease sha	Il be paid or tendered to Lesso	or or to Lesson's credit in <u>a</u>	t lessors address above or	ILS SUCCESSO	hy chock or b
be Lessor's depository agent for receiving payments regar	diess of changes in the owner	snip of said land. All paymer	nts or tenuers may be made in	or to the Lea	enratitho lac
draft and such payments or tenders to Lessor or to the de	epository by deposit in the US	Malis in a stamped envelop	sether inclination, or for any roa	con fail or re	sour at the las
address known to Lessee shall constitute proper payment payment hereunder, Lessor shall, at Lessee's request, del	i. II the depository should liqui	date of be succeeded by at	ther institution as denositors an	ent to receiv	e navments
Except as provided for in Paragraph 3. above, if	l escon drille a woll which is in	canable of producing in pay	vino quantities (hereinafter calle	d "dry hole")	on the leased
premises or lands pooled therewith, or if all production (whather or not in naving gua	ntities) nermanently ceases	from any cause, including a	revision of u	nit boundaries
pursuant to the provisions of Paragraph 6 or the action	infany anvernmental author	ty then in the event this l	ease is not otherwise being r	naintained in	n force it shall
nevertheless remain in force if Lessee commences opera	tions for reworking an existing	well or for drilling an addition	onal well or for otherwise obtain	ning or restor	ring production
on the leased premises or lands pooled therewith within 9	O days after completion of one	rations on such dry hole or	within 90 days after such cess:	ation of all pr	oquetion. If a
the end of the primary term or at any time thereafter the	is lease is not otherwise bein	n maintained in force but L	essee is then engaged in drilli	ng, reworkin	g or any ome
 operations reasonably calculated to obtain or restore grod 	uction therefrom this lease sh	all remain in force so long a	s any one or more of such ope	rations are p	LOSECULER MILL
no cessation of more than 90 consecutive days, and if a	ny such poerations result in th	e production of oil or gas o	r other substances covered ne	reby, as long	g merealler a
there is production in Daving quantities from the leased o	remises or lands pooled there	with. After completion of a	well capable of producing in pa	ayıng quanut	ies lietemoer
I essee shall drill such additional wells on the leased prem	ises or lands moded therewith	as a reasonably prudent of	ierator would drill under the san	ne or similar	circumstance:
to (a) develop the leased premises as to formations then	canable of producing in pavi	no quantities on the leased	premises or lands pobled their	rewith, or (D)	to blorect illi
leased premises from uncompensated drainage by any w	ell or wells located on other la	nds not pooled therewith.	nere shall be no covenant to c	шк ехрютаю	iy wells or all
additional wells except as expressly provided herein.		Innered prominent or interest	t therein with any other lands (or interests a	as to any or a
6. Lessee shall have the right but not the obligatio depths or zones, and as to any or all substances covered	n to pool all or any part of the	leased premises or interes	t of production whenever les	see deems i	it necessary o
proper to do so in order to prudently develop or operate the	ed by this lease, either before	of aiter the continua authorit	by exists with respect to such of	her lands or	interests. The
unit formed by such pooling for an oil well which is not a	horizoetal completion shall not	exceed 80 acres blus a ma	aximum acreage tolerance of 1	0%, and for	a gas well or :
horizontal completion shall not exceed 640 acres plus a m	nonzoniai completion shall no	10%: provided that a larger	unit may be formed for an oil w	ell or gas we	ell or horizonta
completion to conform to any well energing or density nation	ern that may be prescribed or .	nermitted by any dovernmen	ntal authority having jurisdiction	110 00 50. 1	of the barboa
of the foregoing, the terms "oil well" and "age well" shall.	have the meanings prescribed	hv annicable law of the at	ODIODIJSIE OOAEIIIIIENISI AUGIO:	DLY, OL, II NO	actinition is a
nreceribed "oil well" means a wall with an initial cas-oil ra	tio of less than 100 000 cubic :	eet ner harrel and "das well	" means a well with an initial ye	35-UII IAUU UI	100,000 000
foot or more per harrel based on 24 hour production (lemna rabau hatsubaa taa	nroducina conditions usifia	Standato lease seharator rac	WAGO OF GAR	HAGICLIC COSCIL
- aguinment: and the term "barizantal completion" maste	an oil well in which the hori	zontal component of the d	ross completion interval in lac	HILLES OF CAL	MACHOLIC RESPUTE
ocuiement: and the term "barizontal completion" means	an oil well in which the horiza	ntal component of the utos	8 COMPIGNON INCIDENTAL IN THE LCS	SCIACII EVER	Sus uic sciuce
- component thereof. In exercising its pooling rights here:	under I ecces chall file of rec	om a written declaration de	SCIDING THE DUIL OUR STADING IN	C CHECKAG C	iare or boomis
- Uraduation drilling or rewesting apprehing any suborn of	a a unit which includes all of	any part of the leased orei	mises shall be liegled as it it	MCIC PIVUU	auon, unining o
remarking appearings on the learned exemined execut the	the production on which I are	are rovaity is calculated so		ai usiit pioud	00011 1111001 411
not percent covered by this least and included in the H	nit hears to the total arase as	reane in the Unit. Dut Dniv 1	O USE exient such proportion o	я шин риран	2001 12 2014 D
Lacaca Bacting in and as more instances shall not ovhe	uet i secocia pastino richte ha	reunder and Lessee Shall I	iave the recommy mant but not	IIIC DONGOLIO	11 10 101100 011
unit formed hereunder by expansion or contraction or br prescribed or permitted by the governmental authority has	out, either before or after com	mencement of production, to any productive acresses	determination made by such	government	al authority. I
	on declaration depotibles the I	evicen iinit ann stailinn ine i	EILECTIVE MATE OF ICAIONII, I O C	ILE CARSIN ON	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
he adjusted accordingly. In the absence of analyction in	navina ausatitles from a unit l	ir iinon bermaneni cessavu	il hiercol, resource may terrimon		filing of recor
7 15 1	s all an agu part of the leaseed r	tomicae the fovelies alici s	mul-in invalues payable delead	uci ioi uity t	vell on any pa
of the leased premises or lands pooled therewith shall be	reduced to the proportion that	Lessor's interest in such pa	rt of the leased premises bears	to the full m	iineral estate i
such part of the leased premises.					

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above persons are entitled to shut-in royalties bereunder. Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor is the leased premises or lands provided less than 200 feet from any buyer or the leased writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements

new on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, materials. water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon and all other pertinent terms and conditions of the offer. Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default and Lessee fails to do so

there is a final judicial determination that a breach or default has occurred, this lease shall not be fortested or callicated in whole of it part driess bessee is given a reasonable time after said judicial determination to remedy the breach or default had bessee falls to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished exhibitoric outdoors that such desire has been furnished exhibitoric outdoors that such desire has been furnished exhibitoric outdoors. Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

	• •
LESSOR (WHETHER ONE OR MORE)	
Would arro By: WEW-YEN KUC	Ву:
	KNOWLEDGMENT
STATE OF TEXTS COUNTY OF TURNOW ANTH	_day of OCINCICITY 2009,
This instrument was acknowledged before me on the by:	day of
XISHA O. PACKER POLY. Notary Public, State of Texas My Commission Expires April 16, 2372	Notary Public, State of TEXAS Notary's name (printed): 1315h n G. Pax KET - POIK Notary's commission expires: 4-15-12
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	day of, 2009,
	Notary Public, State of

Notary's name (printed): Notary's commission expires:



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

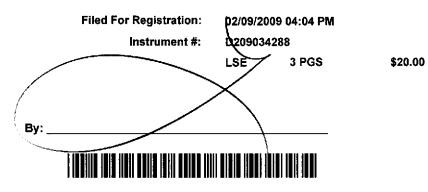
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D209034288

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Printed by: CA